

§ 367.4031

company property owned or leased except the depreciation expense that is charged to clearing accounts or to account 416, Costs and expenses of merchandising, jobbing and contract work (§367.4160).

(b) The service company must keep the records of property and property retirements that will reflect the service life of property that has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also the records that will reflect the percentage of salvage and costs of removal for property retired from each account, or related subaccount, for depreciable property.

(c) Depreciation expenses applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

§ 367.4031 Account 403.1, Depreciation expense for asset retirement costs.

This account must include the depreciation expense for asset retirement costs included in service company property.

§ 367.4040 Account 404, Amortization of limited-term property.

This account must include amortization charges applicable to amounts included in the service company property accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account must be sufficient to distribute the book cost of each investment as evenly as may be over the period of its benefit (*See* account 111, Accumulated provision for amortization of service company property (§367.1110)).

§ 367.4050 Account 405, Amortization of other property.

(a) When authorized by the Commission, this account must include charges for amortization of intangible or other

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property that does not have a definite or terminable life and that is not subject to charges for depreciation expense.

(b) This account must be supported in sufficient detail to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

§ 367.4073 Account 407.3, Regulatory debits.

This account shall be debited, when appropriate, with amounts credited to Account 254, Other Regulatory Liabilities, to record regulatory liabilities imposed on the service company by the ratemaking actions of regulatory agencies. This account shall also be debited, when appropriate, with the amounts credited to Account 182.3, Other Regulatory Assets, concurrent with the recovery of such amounts in rates.

§ 367.4074 Account 407.4, Regulatory credits.

This account shall be credited, when appropriate, with amounts debited to Account 182.3, Other Regulatory Assets, to establish regulatory assets. This account shall also be credited, when appropriate, with the amounts debited to Account 254, Other Regulatory Liabilities, concurrent with the return of such amounts to customers through rates.

§ 367.4081 Account 408.1, Taxes other than income taxes, operating income.

This account must include those taxes, other than income taxes, that relate to service company operating income. This account must be maintained so as to allow ready identification of the various classes of taxes.

§ 367.4082 Account 408.2, Taxes other than income taxes, other income and deductions.

This account must include those taxes, other than income taxes, that relate to other income and deductions.